



ANNUAL REPORT—1930

JEWEL TEA CO., INC.
JEWEL PARK, BARRINGTON, ILL.



JEWEL TEA CO., INC.

GENERAL OFFICES

JEWEL PARK

BARRINGTON, ILLINOIS

DIRECTORS:

JOHN M. HANCOCK, *Chairman*

HENRY S. BOWERS

M. H. KARKER

F. M. KASCH

ARTHUR LEHMAN

HERBERT H. LEHMAN

JOHN C. REGAN

ARTHUR SACHS

H. J. TAYLOR

OFFICERS:

JOHN M. HANCOCK

Chairman of the Board of Directors

M. H. KARKER, *President*

JOHN C. REGAN, *Vice-President*

H. J. TAYLOR, *Vice-President*

F. M. KASCH, *Treasurer*

R. E. NAGLER, *Asst. Treas.*

J. M. FRIEDLANDER, *Asst. Treas.*

W. D. SMITH, *Secretary*

ROBERT W. MUIR, *Asst. Secy.*

TRANSFER AGENT:

IRVING TRUST COMPANY, 1 Wall Street, New York City

REGISTRAR:

THE COMMERCIAL NATIONAL BANK & TRUST COMPANY OF NEW YORK
56 Wall St., New York City

AUDITORS:

TOUCHE, NIVEN & CO., *Public Accountants, New York and Chicago*



JEWEL TEA CO., INC.
JEWEL PARK
BARRINGTON, ILL.

February 7, 1931.

TO THE STOCKHOLDERS:

THE fifteenth annual report of your company, including the balance sheet for the fiscal year ended December 27, 1930, and statements of income and surplus accounts, is presented herewith.

Net profit for the year—after provision for Federal Income Taxes and adequate reserves—was \$1,705,293.63 as compared with \$1,691,302.02 for 1929. Earnings were at the rate of \$6.09 per share on the 280,000 shares of common stock outstanding, compared with \$6.04 per share earned in 1929. Two extra dividends of \$1 each were paid on June 16 and December 15, respectively, in addition to the regular dividends of 75c quarterly, making a total of \$5 per share for the year. It has been the policy of the board of directors to pay extra dividends when earned, but only when earned.

Total sales amounted to \$15,521,791.49 compared with \$16,844,110.25 in 1929. Of the decrease of 12.7% in sales per-week-per-wagon, approximately three-quarters is due to lower selling prices and the balance to smaller tonnage. The number of operating units was increased by 65 during the year and the expense of adding these new routes was charged to current operations.

The balance sheet reveals the favorable financial position of the company, and it is to be noted that inventories at the close of the year 1930 stood at the lowest figure in the history of the company.

Moving of the midwest plant and headquarters office from Chicago to Barrington was completed on April 1, 1930. The Hoboken plant was discontinued on December 1, with the sale of the plant equipment and the sub-leasing of the greater part of the space occupied, and its functions assumed by Barrington. All expenses occasioned by these moves were absorbed in current operations. The increased efficiency and economy of operation anticipated in these moves are beginning to be realized.

The experimental merchandising of coffee and other products through retail stores in Hartford was completed and discontinued at the end of the year. The balance of the appropriation for this purpose was restored to surplus account.

Results of the operations of your company for the year 1930 are gratifying, and the management is happy to express its grateful appreciation of the loyalty and effective work of employees, and the continued confidence and support of our customers and stockholders.

M. H. KARKER, *President.*

For the Board of Directors:
JOHN M. HANCOCK,
Chairman.

JEWEL TEA

BALANCE SHEET, 1

ASSETS

CURRENT ASSETS:

Cash.....		\$ 738,110.36	
Marketable securities at cost or market, whichever is lower, and interest.....		2,410,684.43	
Common stock held for employees, at market which is lower than cost, less payments thereon.....		352,763.39	
Accounts receivable—			
Trade customers.....	\$ 305,375.62		
Miscellaneous.....	103,388.30		
	\$ 408,763.92		
Less reserve for doubtful accounts.....	105,694.31		
		303,069.61	
Inventories at cost or market, whichever is lower—			
Groceries.....	\$1,011,132.90		
Premiums.....	234,270.65		
		1,245,403.55	
Trust fund investments (Surety deposits, per contra).....		100,689.00	
			\$5,150,720.34

DEFERRED CHARGES:

Premiums (at cost) advanced to customers.....	\$ 983,963.21		
Less reserve for doubtful accounts.....	255,777.12		
		\$ 728,186.09	
Prepaid insurance, licenses, etc.....		50,951.70	
Inventory of expense supplies.....		41,789.78	
			820,927.57

CAPITAL ASSETS:

Land.....		\$ 363,814.34	
Buildings.....	\$1,047,489.05		
Machinery, furniture and fixtures, at plants.....	515,045.45		
Delivery and branch equipment.....	970,003.92		
	\$2,532,538.42		
Less reserve for depreciation.....	637,035.41		
		1,895,503.01	
			2,259,317.35

GOODWILL.....

1.00

\$8,230,966.26

TO THE BOARD OF DIRECTORS, JEWEL TEA CO., INC.

We have examined the books and accounts of Jewel Tea Co. that the above balance sheet and accompanying income and surplus account are a correct statement of the financial position of the Company at that date.

Chicago, Illinois
January 29, 1931

CO., INC.
DECEMBER 27, 1930

LIABILITIES

CURRENT LIABILITIES:

Letters of credit and acceptances.....	\$ 360,599.77	
Accounts payable, trade.....	143,393.17	
Dividend payable January 15, 1931.....	210,000.00	
Other accounts and wages payable.....	413,423.42	
Federal income tax, year 1930.....	245,109.66	
Surety deposits (Trust fund investments, per contra).....	100,689.00	
	<hr/>	\$1,473,215.02

RESERVES:

For contingencies.....	\$ 120,000.00	
For automobile accident and fire losses.....	77,561.54	
	<hr/>	197,561.54

NET WORTH:

Common stock, no par value—		
Authorized.....	300,000 shares	
Unissued.....	20,000 shares	
	<hr/>	
Issued and outstanding.....	280,000 shares	\$4,240,000.00
Earned surplus, per annexed statement.....	2,320,189.70	
	<hr/>	6,560,189.70

CONTINGENT LIABILITY:

Under contracts for coffee not shipped at December 27, 1930.....	<u>\$137,589.50</u>
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\$8,230,966.26

Co., Inc., for the year ended December 27, 1930, and hereby report
account are in accordance therewith; and exhibit, in our opinion, a
and the result of operations for the year then ended.

TOUCHE, NIVEN & CO.
Public Accountants

JEWEL TEA CO., INC.
INCOME AND SURPLUS ACCOUNT FOR THE YEAR ENDED
DECEMBER 27, 1930

NET SALES.....		\$15,521,791.49
LESS COST OF SALES, including raw materials, labor, supplies, operating expenses, depreciation, etc.....		13,798,962.38
		<hr/>
NET PROFIT FROM OPERATIONS.....		\$ 1,722,829.11
OTHER INCOME:		
Interest and discount earned.....	\$ 169,868.02	
Miscellaneous.....	57,706.16	
	<hr/>	227,574.18
		<hr/>
NET PROFIT, before federal income tax.....		\$ 1,950,403.29
LESS PROVISION FOR FEDERAL INCOME TAX.....		245,109.66
		<hr/>
NET PROFIT FOR THE YEAR.....		\$ 1,705,293.63
DEDUCT:		
Dividends paid on common stock.....	\$1,377,467.75	
Provision for decline in market value of securities owned.....	75,646.36	
	<hr/>	\$1,453,114.11
Less unexpended balance of appropriation for Hartford merchandising plan restored to surplus.....	76,900.00	
	<hr/>	1,376,214.11
		<hr/>
		\$ 329,079.52
SURPLUS BALANCE, December 28, 1929.....		1,991,110.18
		<hr/>
EARNED SURPLUS, December 27, 1930.....		<u>\$ 2,320,189.70</u>

JEWEL TEA CO., INC.

TABLE OF COMPARATIVE SALES AND EARNINGS

Year	Units†	SALES		EARNINGS	
		Weekly Avg. Per Unit	Total	Amount	Per Share on Common Stock*
1922	994	\$197.69	\$10,240,810	\$ 152,149	\$.54
1923	998	241.87	12,554,875	624,200	2.23
1924	1,030	255.47	13,602,745	855,076	3.05
1925	1,059	256.33	14,178,478	838,947	3.00
1926	1,090	260.52	14,568,258	1,258,052	4.49
1927	1,096	256.07	14,532,336	1,261,391	4.50
1928	1,121	277.68	15,970,893	1,530,888	5.47
1929	1,215	274.60	16,844,110	1,691,302	6.04
1930	1,280	239.66	15,521,791	1,705,293	6.09

†Number of units in operation at end of year.

*Based on 280,000 shares.





